

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2366

Introduced by Assembly Member Bocanegra

February 21, 2014

An act ~~relating to benefit and relief associations; to add Section 11408 to the Insurance Code, relating to insurance.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2366, as amended, Bocanegra. Benefit and relief ~~associations; Insurance Commissioner; associations.~~

Existing law prohibits a firemen's, policemen's, or peace officer's benefit and relief association from operating or doing business in the state without a certificate of authority issued by the Insurance Commissioner.

This bill would authorize the commissioner to receive and investigate formal written complaints made against a holder of a certificate of authority, as specified, and would authorize the commissioner, after providing notice and an opportunity for a hearing, to suspend or rescind the certificate if a complaint cannot be resolved in a timely manner.

~~Existing law provides for the regulation of insurers by the Department of Insurance. Existing law directs the Insurance Commissioner to enforce the execution of laws regulating the business of insurance. Existing law excludes firemen's, policemen's, and peace officers' benefit and relief associations meeting certain requirements from state laws relating to insurance.~~

~~This bill would express the intent of the Legislature to enact legislation to provide increased authority to the Insurance Commissioner to regulate public safety member benefit and relief associations.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 11408 is added to the Insurance Code,
2 to read:
3 11408. (a) (1) Notwithstanding any other law, the
4 commissioner may receive and investigate formal written
5 complaints made against a holder of a certificate of authority
6 issued under Section 11401.
7 (2) In implementing this section, the commissioner may hold a
8 hearing or request any necessary documentation, including, but
9 not limited to, financial statements or legal documentation in an
10 effort to resolve the complaint.
11 (b) If a complaint cannot be resolved in a timely manner, the
12 commissioner may, after providing adequate notice and an
13 opportunity for a hearing, do either of the following:
14 (1) Suspend the certificate of authority issued under Section
15 11401, which shall prohibit the association from adding any
16 additional members until the complaint or violation is corrected.
17 (2) Rescind the certificate of authority issued under Section
18 11401.
19 (c) This section shall not be construed in a manner that conflicts
20 with the Employee Retirement Income Security Act of 1974 (Public
21 Law 93-406).
22 ~~SECTION 1. It is the intent of the Legislature to enact~~
23 ~~legislation to provide increased authority to the Insurance~~
24 ~~Commissioner to regulate public safety member benefit and relief~~
25 ~~associations.~~